

House File 2297 - Introduced

HOUSE FILE 2297
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 519)

A BILL FOR

1 An Act relating to the regulation of pharmacy benefit managers.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 510B.1, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5A. "*Maximum reimbursement amount*" means
4 the maximum reimbursement amount for a therapeutically and
5 pharmaceutically equivalent multiple-source prescription drug
6 that is listed in the most recent edition of the publication
7 entitled approved drug products with therapeutic equivalence
8 evaluations, published by the United States food and drug
9 administration, otherwise known as the orange book.

10 Sec. 2. NEW SECTION. 510B.8 Pricing methodology for maximum
11 reimbursement amount.

12 1. The commissioner may require a pharmacy benefits manager
13 to submit information to the commissioner related to the
14 pharmacy benefit manager's pricing methodology for maximum
15 reimbursement amount.

16 2. For purposes of the disclosure of pricing methodology,
17 maximum reimbursement amounts shall be implemented as follows:

18 a. Established for multiple source prescription drugs
19 prescribed after the expiration of any generic exclusivity
20 period.

21 b. Established for any prescription drug with at least two
22 or more A-rated therapeutically equivalent, multiple source
23 prescription drugs with a significant cost difference.

24 c. Determined using comparable prescription drug prices
25 obtained from multiple nationally recognized comprehensive data
26 sources including wholesalers, prescription drug file vendors,
27 and pharmaceutical manufacturers for prescription drugs that
28 are nationally available and available for purchase locally by
29 multiple pharmacies in the state.

30 3. For those prescription drugs to which maximum
31 reimbursement amount pricing applies, a pharmacy benefits
32 manager shall include in a contract with a pharmacy information
33 regarding which of the national compendia is used to
34 obtain pricing data used in the calculation of the maximum
35 reimbursement amount pricing and shall provide a process to

1 allow a pharmacy to comment on, contest, or appeal the maximum
2 reimbursement amount rates or maximum reimbursement amount
3 list. The right to comment on, contest, or appeal the maximum
4 reimbursement amount rates or maximum reimbursement amount list
5 shall be limited in duration and allow for retroactive payment
6 in the event that it is determined that maximum reimbursement
7 amount pricing has been applied incorrectly.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill relates to the regulation of pharmacy benefit
12 managers. The bill authorizes the commissioner of insurance
13 to require a pharmacy benefits manager to submit information
14 to the commissioner related to the pharmacy benefit manager's
15 pricing methodology for maximum reimbursement amount.

16 The bill provides that for purposes of the disclosure of
17 pricing methodology, a pharmacy benefits manager must use
18 maximum reimbursement amounts that meet specified criteria.
19 "Maximum reimbursement amount" is defined as the maximum
20 reimbursement amount for a therapeutically and pharmaceutically
21 equivalent multiple-source prescription drug that is listed in
22 the United States food and drug administration's publication
23 entitled approved drug products with therapeutic equivalence
24 evaluations, otherwise known as the orange book.

25 For those prescription drugs to which maximum reimbursement
26 amount pricing applies, a pharmacy benefits manager must
27 include information in a contract with a pharmacy showing how
28 maximum reimbursement amount pricing is calculated and allowing
29 the pharmacy the opportunity to comment on, contest, or appeal
30 the maximum reimbursement amount rates and list. The contract
31 must also allow for retroactive payment if it is determined
32 that maximum reimbursement amount pricing has been applied
33 incorrectly.